

**CITY OF MIDDLETOWN
MINUTES OF THE RETIREMENT BOARD
RESCHEDULED REGULAR QUARTERLY MEETING
DECEMBER 11, 2013**

The rescheduled regular quarterly meeting of the Retirement Board of the City of Middletown was held in room 208 of the Municipal Building on Wednesday, December 11, 2013 at 4:00 pm.

Commission Members Present: Rich Simone, Hope Kasper, Jim Reynolds, Steve Gomes, Chris Bourne, Sandra Russo-Driska, Carl Erlacher

City Employees Present: Diana Doyle, Brig Smith, Kori Wisneski, Kathie Morey, Ofc. Tony Gennaro, Dennis Bradley (Fire Dept.), Ofc. Chris LaVoie

Public/Other Present: Gerry Goldberg and Mike Lepore of Wells Fargo, Cynthia Christie & Bruce Barth of Robinson & Cole LLP, Atty. Andy Houlding (Ofc. LaVoie Counsel)

Commission Members Absent: Mayor Daniel Drew

- Meeting was called to order at approximately 4:00 pm
- No public comments on the agenda
- **Minutes from August 7, 2013 Pension Board Meeting**
 - Carl motions to approve minutes and was seconded by Hope
 - Approved unanimously (by previous Board Members)
 - Sandra abstained (newly appointed Board Member)
- **Introduction of new Pension Attorneys**
 - City Attorney, Brig Smith introduced Attorneys Cynthia Christie and Bruce Barth from Robinson & Cole, LLP
 - Brig states the main question/concern the Board has is for Attorneys Christie & Barth to establish is that the Pension Fund is a Trust
 - Carl confirms that the priority is to establish the Pension Fund as a Trust, as stated in the Pension Ordinance; as well as, review exempt employees to ensure they are covered under pension ordinance; and, review pension ordinance
 - Chris adds the review of retirees returning to work (for City) full time
 - Hope asks for a review of the legality of co-mingling the three segments of the pension fund as presented in the actuary report
 - Carl reminds Board that there is \$20,000 to pay attorneys and that priority is to establish that the Pension Fund is a Trust
 - Steve asks attorneys if a scope statement has been provided and if items have been prioritized
 - Brig confirms that a scope of services is in order to provide clarity to Robinson & Cole
 - Diana reminds Board that a Resolution was passed defining the mission of the Pension Ordinance review and this should be the starting point of the scope statement
 - General agreement during discussion to taper the scope statement to stay within the \$20,000 allocated for the study
 - Rich asks if a motion is needed, Brig says not necessary since original Resolution will be discussed at next meeting
- **Executive Session Preliminary Discussion**
 - Sandra states that per FOI law the name of the individual applying for Disability Retirement must be stated on the agenda that is intended for public viewing
 - Sandra makes a motion to amend the agenda to include disability applicant's name, Steve Augeri, as well as including Chris LaVoie in Executive Session discussion, and is seconded by Chris Bourne

- Much discussion in reference to including Chris LaVoie in Executive Session
- Carl makes an additional motion, to re-open the Open Session for Ofc LaVoie and his attorney to speak but not discuss or take action as a Board, and is seconded by Hope
- Discussion in reference to Chris LaVoie continues before the Board enters into Executive Session

- **Executive Session Outcome**

- Hope motions to table Steve Augeri's disability application and is seconded by Sandra
- Approved unanimously

- **Pension Board Quarterly Meeting Schedule 2014**

- Item moved ahead of review of investments and review of GASB 25 & 27 Information due to loss of quorum
- Board agrees to schedule and to cancel February 19, 2014 meeting and hold as a Special Meeting on Tuesday, February 11, 2014 at 4:00 pm in room 208
- Chris motions to accept revised schedule and is seconded by Hope
- Approved unanimously

- **Review of Investments**

- Gerry suggests postponing discussion of asset allocation to next quarterly meeting and seeks the Boards approval of rebalancing portfolio as the target allocation is outside of the 5% variance
- States that the Fixed Income market is likely to taper and recommends taking half of the 6% variance – 3% or \$10.5 million – out of equities and put into Core Fixed Income to Ryan Labs
- Sandra motions to approve recommendation and is seconded by Hope
- Approved unanimously
- Before loss of quorum at 5:25pm, Diana asks if the GASB report from Hooker & Holcomb needs formal acceptance; it is determined that it does not
- Gerry continues presentation with discussion of monetary policy, the economy, employment and real estate
- Mike reviews plan value (page 16 of Wells Fargo report); value of plan at end of quarter was \$352,437,000 and, at close of day before meeting was valued at approximately \$362,000,000
- Reminded Board that Philadelphia Advisors presented at last quarterly meeting; reports that Philadelphia continues to be slightly weak and recommends to keep on a "Watch List"
- Continues discussion of other investments in the plan and notes that the Fixed Income continues to exceed expectations
- OPEB value at end of quarter was \$8,021,664 and at close of day before meeting OPEB value was approximately \$8,253,000; value is within target policy and there is no recommendation to rebalance

- **Applications for Membership**

	<u>Employment Date</u>	<u>Union</u>	<u>Department</u>
Matthew Bloom	10/2/13	Police	Police
Stefanie Collins	9/30/13	466	Finance/Purchasing
Dawn Eisensmith	6/3/13	466	BOE
Stephen Froberg	9/2/13	Police	Police
Robert Grauer	10/7/13	466	Central Comm
Ronald Hills	11/4/13	466	Public Works
Rochelle Hughes	7/15/13	466	BOE
Patrick Kiely	9/2/13	Police	Police
William O'Donnell	8/26/13	Fire	Fire
Roger Palmer	9/23/13	Teamsters	Assessor
Larry Woolard	10/2/13	Police	Police

<u>Requests to Retire</u>	<u>Retirement Date</u>	<u>Department</u>	<u>Union</u>	<u>Years Emp./Age</u>
David Ajaski	6/18/13	Water & Sewer	466	15 yrs/65 yrs old
Lori Bednarz	11/12/13	Personnel	n/a	26 yrs/51 yrs old
Christopher Carlone	9/27/13	Police	Police	25 yrs/48 yrs old
Kendall Jackson	6/7/13	BOE	non-bargain	21 yrs/60 yrs old
Richard Kearney, Jr.	11/1/13	P&Z	Teamsters	15 yrs/65 yrs old
Elizabeth Nocera	7/5/13	BOE	non-bargain	24 yrs/54 yrs old
Sandra Russo-Driska	6/28/13	Town Clerk	Teamsters	27 yrs/47 yrs old
Richard Spencer	5/21/13	Police	Police	21 yrs/43 yrs old
Venna Spencer	4/25/13	Public Works	466	15 yrs/68 yrs old
Eddie White	8/21/13	Water & Sewer	466	26 yrs/49 yrs old

<u>Disability Retire</u>	<u>Retirement Date</u>	<u>Department</u>	<u>Years Emp./Age</u>
Alex Rodriguez	2/14/13	Police	5 yrs/33 yrs old
William Warner	5/31/13	Police	24yrs/53 yrs old

<u>Pension Refund</u>	<u>Date</u>	<u>Department</u>
Christine Angeli	10/17/13	Library
Kevin Cyr	9/25/13	Police
Wallace Inkpen	9/18/13	Assessor
Corey Kozuch	9/18/13	Police

- **Deceased Pensioners**

Wallace Inkpen (refunded to spouse)
Jeffrey Mefferd (benefits to spouse)
Joseph Micale (benefits to spouse)
Diane Russo
Wayne Sheehan (benefits to spouse)

- **Next Pension Board Meeting to be held Tuesday, February 11, 2014**

- **Adjournment**

- No motion to adjourn due to lack of quorum

Respectfully submitted:

Carl R. Erlacher, Finance Director
Tracks MZ 24 - 40